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## Biodiesel facility planned in Louisville

Marathon adding to storage at terminal

By **Wayne Tompkins**  
[wtompkins@courier-journal.com](mailto:wtompkins@courier-journal.com)  
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Marathon Oil Corp. will add storage and distribution of biodiesel fuel at its Kramers Lane Terminal in Louisville, offering trucking fleets and operators of other diesel-powered vehicles a cleaner-burning alternative, the company said yesterday.

Biodiesel is blended with diesel fuel in much the same way that ethanol is blended with gasoline. Louisville-area service stations sell gasoline that is 10 percent ethanol to help meet clean-air requirements.

It is Kentucky's first biodiesel storage and distribution project and Marathon's second nationally, said Gary Heminger, a Marathon Oil executive vice president. The other one is in St. Paul, Minn.

Melissa Howell, executive director of the Kentucky Clean Fuels Coalition, said by putting biodiesel at the terminal, "that enables distributors in the region to go to one place, pick up their diesel, pick up their bio -- it's already blended."

The project will cost about \$500,000 and have a capacity of 30,000 gallons, she said.

Howell said it is "imperative" for any renewable fuel to be available at a distribution terminal location.

"That's what so huge and what makes this such big news," Howell said. "It's tremendous nationally, not just here in Kentucky."

The biodiesel product will be available in January in blends of up to 5 percent, said Angela Graves, a spokeswoman for Marathon, in Findlay, Ohio.

There is no way to know if biodiesel blends will be more expensive than regular diesel fuel, she said. The company hasn't priced biodiesel yet in Kentucky.

"There is a subsidy that's provided by the federal government for those who use biodiesel fuels," Graves said. "It depends on whether the biodiesel is made directly from agricultural products or recycled material." That determines "what the subsidy is going to be."

Howell said that although the Marathon biodiesel won't be available to the average motorist, "What it does is enable distributors ... to buy biodiesel. It could be Thornton's, it could be Kroger." Such companies could use biodiesel in their fleets or sell it at the retail level.

Just as ethanol is produced from products like corn, sugar and grasses, biodiesel is made from vegetable

oils and even animal fats. Biodiesel can be used in any diesel engine immediately, Howell said.

More than 2.2 billion gallons of gasoline and 1.2 billion gallons of diesel fuel are sold each year in Kentucky, the coalition said.

Howell said biodiesel is used in everything from ferry boats at Mammoth Cave to snowplows at the Cincinnati/Northern Kentucky International Airport.

Kentucky's energy strategy, unveiled last year, emphasizes biodiesel and helps in market placement. The state produces 2 million gallons of biodiesel, and plants under construction will add nearly 70 million gallons by the middle of next year, Marathon officials said.

"It's a great initiative by Marathon," said Art Williams, director of the Louisville Air Pollution Control District. He said the use of biodiesel reduces particulates and toxics, and "should improve Louisville's air quality."

The Kentucky Department of Transportation, the Kentucky Soybean Board and National Clean Cities Inc. contributed a combined \$235,000 in grants to install the blending equipment at the terminal.

"It helps biodiesel become part of the mainstream," said Tom Verry, director of outreach and development for the National Biodiesel Board.

Reporter Wayne Tompkins can be reached at (502) 582-4232.

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